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Held at Headquarters, New York, on Monday, 11 July 2005, at 3 p.m.

President: Mr. Moncayo (Vice-President) ..... (Ecuador)

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In the absence of Mr. Akram (Pakistan), Mr. Moncayo (Ecuador), Vice-President, took the Chair.

The meeting was called to order at 3.25 p.m.

Operational activities of the United Nations for international development cooperation (*continued*)

(b) Reports of the executive boards of the United Nations Development Programme and of the United Nations Population Fund, the United Nations Children's Fund and the World Food Programme (E/2005/4-DP/2005/13, E/2005/5-DP/FPA/2005/2, E/2005/6-E/ICEF/2005/3, E/2005/14, E/2004/34/Rev.1-E/ICEF/2004/7/Rev.1, E/2005/34 (Part I)-E/ICEF/2005/5 (Part I), E/2005/35, E/2005/36, DP/2005/14 and DP/2005/30; E/2005/L.14)

Dialogue with the executive heads of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) on: (a) strengthening the resident coordination system; (b) programme alignment; (c) the role of regional structures in supporting operational effectiveness; and (d) sector programme and national capacity development

1. **The President** introduced the panellists: Mr. Zéphirin Diabré, Associate Administrator of UNDP; Ms. Ann Veneman, Executive Director of UNICEF; Ms. Thoraya Obaid, Executive Director of UNFPA; and Mr. Jean-Jacques Graisse, Senior Deputy Executive Director of WFP. Mr. José Antonio Ocampo, Under-Secretary-General for Economic and Social Affairs would serve as Moderator of the discussion.

2. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that two panels would focus on operational activities of the United Nations system. The first would deal with operational reform, the second with financing models for the United Nations system.

3. **Ms. Veneman** (Executive Director of UNICEF) noting her agency's continued commitment to harmonization and alignment, and the challenges it posed, said that, by the end of 2007, all countries where the United Nations had a key focus on development would have completed a United Nations Development Assistance Framework (UNDAF).

4. UNICEF had also undertaken a number of other tasks, including launching a new harmonized way of providing assistance to its partners, an approach which relied on national capacities in partner countries. For example, the four Executive Committee agencies would use the same procedures to transfer cash and to account for its use.

5. While the UNDAF process had generally been successful, results had been uneven; setbacks included time-consuming delays.

6. The United Nations Development Group (UNDG) members were also emphasizing the increased coherence of United Nations country teams, the importance of even-handed and empowered resident coordinators and a unified country presence. Cape Verde was a prototype, where a joint United Nations Office representing the four Executive Committee agencies would implement a single country programme.

7. The UNDG Executive Committee agencies had also increased the number of joint programming initiatives in support of specific national development programmes, which were expected to have greater impact and development gains. UNICEF would report to its Executive Board in June 2006 on results achieved and lessons learned.

8. The alignment of regional support structures and technical capacity would help UNICEF in reallocating resources to promote agreed priorities, a move that would enhance country-based delivery and aid effectiveness.

9. Such collaboration should be extended to UNICEF partners within the United Nations system, the Bretton Woods institutions, and the broader community of development stakeholders. Collaboration on poverty-reduction strategies and on achieving the Millennium Development Goals must also continue.

10. A national database to monitor progress towards the Goals, known as "DevInfo" was now being used. Developed by UNDG members on the basis of the UNICEF software package "Child Info", it allowed countries to report in a uniform manner on progress made. To date, over 70 countries were using "DevInfo" software as the United Nations common database.

11. **Ms. Obaid** (Executive Director of UNFPA) said UNDG recognized the growing importance of sector programming and capacity development that characterized the new aid environment. UNFPA saw itself playing an active and supportive role where it had a comparative advantage: policy dialogue, advocacy, capacity development and technical assistance.

12. UNFPA had focused on three areas: putting national development plans at the centre of United Nations country programming; strengthening national capacities; and using and strengthening national systems. To that end, UNFPA was informing all its country teams to align United Nations analytical and planning work with national processes; moreover, a UNDG policy on sector support included a commitment to amend any policies and regulations that prevented agencies from full participation in sector support, and to increase the use of national systems by the end of 2005. United Nations country teams were also being encouraged to reduce transaction costs for national partners through greater use of national systems for administrative, reporting and other activities.

13. Several challenges lay ahead. Performance measures should be established as incentives for staff to take risks. It was important to have the right staff and skill mix. South-South cooperation was a key element in capacity development, and collaborative regional support for capacity development and technical assistance should be enhanced. Another challenge was the shift towards direct budget and sector support, involving costs in building and strengthening capacity, at a time when core funding was weakening. Bilateral partners would be approached for financing the role of the United Nations country team in the new environment. There was a need to simplify development work based on country experience, taking into account the donors' demands, which did not always coincide with those of UNDG. Another challenge was that it was more difficult to demonstrate results when shared outcomes, not concrete projects, were the yardstick to measure success.

14. **Mr. Diabré** (Associate Administrator of UNDP) said his presentation would focus on two issues — strengthening the resident-coordinator system and leadership of United Nations reforms at the country level.

15. Member States had requested UNDP to be more proactive in its management of the resident-coordinator system, to encourage strong candidacies from across the United Nations, and to identify qualified women candidates and candidates from the South. In that regard, the Secretary-General had charged every agency to increase female nominations to the resident-coordinator assessment, particularly from the South. UNDG also stressed that potential nominees should have the requisite competencies and experience.

16. Seven resident-coordinator assessment centres had been organized for 62 participants in 2004, but in 2005 the number had decreased to five because of lack of available candidates. In April 2005, the most recent assessment, only 14 out of 24 candidates had been successful. UNDG had been equally stringent in reviewing the pool of candidates who had passed the assessment but had not been placed. Today they numbered 107, of whom 40 were from the South, including 25 women. Today, of 129 resident-coordinator postings, 61 were from the South, including 14 women.

17. Regarding leadership of country-level reform, UNDP was working to finding innovative ways to preserve the role of the resident coordinator and UNDP resident representative as the leader of a focused country team.

18. The country-director model, adopted in the recent triennial comprehensive policy review, was a key element, involving the appointment of country directors where the resident coordinator/resident representative's functions left insufficient time for management of day-to-day operations. So as not to weaken his coordinating powers, the resident coordinator would retain the overall resident representative for UNDP functions.

19. Currently there was a country director in 11 countries — Afghanistan, Burundi, Côte d'Ivoire, the Democratic People's Republic of Korea, Guatemala, Haiti, Iraq, Liberia, Somalia, the Sudan and Timor-Leste — with the number to increase to 40 over the next several years.

20. With regard to the resident coordinator's authority, the triennial review gave the resident coordinator overall responsibility for the final design of the UNDAF, so his powers should not be diminished. Moreover, when simplifying the relationship between national authorities and the

United Nations country team, the specific expertise of each agency should be promoted. In addition, the resident coordinator and the country team must have increased accountability since they were responsible for implementing the UNDAF and the results matrix. The system of accountability being developed was one of mutual accountability at the country level and broad review at the headquarters level.

21. **Mr. Graisse** (Senior Deputy Executive Director of the World Food Programme) said that reflection with partners over recent years had led UNDG to conclude that the most substantive results would be achieved, and the most people reached, when the system focused on teamwork. That was reflected in the UNDAF results matrices, country-level thematic groups and support for national planning and policy processes. The urgent task in 2005 would be to fully implement commitments made and to render operational the framework already in place.

22. An excellent example of United Nations reform in action, aimed at ensuring that existing regional mechanisms and technical resources worked more effectively, could be found in southern Africa, which was facing one of the greatest humanitarian challenges and threats to development investment. The triple threat of HIV/AIDS, weakened governance and food insecurity demanded a coherent and focused approach and had prompted the United Nations to think about the way it provided assistance and the increasingly regional or even global nature of development.

23. Noting that, for the past three years, the Secretary-General's Special Envoy for Humanitarian Needs in Southern Africa had been travelling in the region with many UNDG colleagues, he said that UNDG had risen to the challenges in the region by making the strengths and technical expertise of the individual agencies more cohesive and by aiming for enhanced efficiency and effectiveness in support of national and regional policies. UNDG was learning that, by identifying common goals at the regional level, the United Nations remained relevant to government development strategies. However, much more needed to be done vis-à-vis access to anti-retroviral drugs, orphans and vulnerable children, and disbursements of external funding. Governments, the United Nations and donors must also address the structural issues behind food insecurity, reinforcing the need for the United Nations to change the way it did business.

24. UNDG had set up a strong regional-directors team in Johannesburg. The team focused on effective United Nations country teams, strategic reorientation of United Nations programmes and increased resource mobilization. It had engaged with country teams and partners to find improved regional modalities for enhancing United Nations strategic programming and delivery response at the country level. It was also seeking to deliver results more effectively and improve regional support for the country teams and partners through strengthened regional inter-agency leadership and coordination. Earlier in the year, the team had reviewed the resident-coordinator reports for 2004 and the country-team workplans for 2005 for each of the region's 10 countries, identifying areas for common regional support. A United Nations technical-capacity mapping performed by the team showed that collectively there were 217 technical advisers in the region; the team would be instrumental in ensuring that those resources were used effectively. The possibility of joint office space was also continually being explored.

25. Reiterating that the initiative was about using existing resources and mechanisms effectively, he said that, in southern Africa, UNDG was coming together in an almost unprecedented way, at no extra cost. The effects were starting to be seen with increased programme resources and strong government commitments to building partnerships and policies to address the three main threats mentioned.

26. A major lesson learned in southern Africa was that thematic programme issues could drive United Nations reform, and that progress could be built upon. UNDG agencies in other regions were now exploring ways of maximizing strengths and improving the effectiveness, efficiency, coherence and impact of United Nations resources in support of national and regional development objectives. Tools such as joint programming and common services were providing a strong basis for UNDG progress to focus on substantive results. Reform tools could be applied most effectively if a UNDG regional structure supported both regional and country-level initiatives.

27. By way of conclusion, he said that reform must be related to substantive outcomes and contributions to achieving the Millennium Development Goals; the benchmark for reforms should always be whether or not they contributed to substantive results and made people's lives better. UNDG could play a key role in

supporting national capacities and development plans, sometimes most effectively by ensuring a regional mechanism to support country teams. Effectiveness and efficiency could be achieved through regional cooperation among existing structures, while maintaining the special expertise of individual mandates.

28. The United Nations could use its expertise at the regional and country levels to support Governments, for example on accessing global funds. The key to regional cooperation among United Nations agencies was to identify substantive themes that reflected regional needs, as had been done in southern Africa. The form of agency cooperation must flow from the objectives that the United Nations was trying to achieve with its partners. Together, the United Nations could find new ways of making its structures and mechanisms more effective and rising to the challenge posed by the Millennium Development Goals.

29. **Mr. Ocampo** (Under-Secretary-General for Economic and Social Affairs) said that some questions arising from the discussions had already been answered by panellists. However, he believed that four issues in particular still needed clarification. First, what were the comparative advantages of the United Nations agencies, particularly in relation to multinational and regional development banks? Second was the issue of ownership and alignment with countries' policies. Third was coordination: The issue of resident coordinators went beyond the purview of the Executive Committee of UNDG to involve coordination with the specialized agencies. Fourth was the issue of funding, particularly the role of core funding, and the challenges arising from world funding trends, such as funding from multilateral development banks and particularly from the new role of the World Bank Group's International Development Association (IDA).

30. **Ms. Haycock** (United Kingdom), on behalf of the European Union, said the Union had been interested to hear of the UNDG policy on sector support, which would shortly be forthcoming. She asked what impact the funds and programmes expected that policy to have on their programmes. The Union had been equally interested to hear that the interagency task team was studying the possibility of improving capacity development work. The Union also knew via its contacts with the individual agencies that the issue was consuming each of them in different ways: how would the agencies come together with the task team so as to ensure that all agencies moved in the same direction? The Union was also very interested in the challenges mentioned by the Executive Director of UNFPA, all of which affected the agencies in one way or another, and wanted to hear how UNDG reported to the Council on progress made in facing those challenges. She also noted the declining number of resident-coordinator candidates and the relatively low proportion of women, and wondered how that situation might be rectified.

31. **Ms. Houngbedji** (Benin) asked whether the panellists had specific figures on the results achieved in the light of the ongoing reforms. Were there actual results that went beyond the stage of institutional reforms? Regarding the performance criteria to be assessed at the country level and the need for the teams to take risks, she wondered what type of risks would be involved. Would they be connected to work carried out in the countries? She did not want the United Nations to become a "private enterprise" in which everyone would try to accomplish some individual feat and feel entitled to proclaim himself the winner. Much more important were specific results and the resources necessary to achieve the Millennium Development Goals.

32. **Mr. Chulkov** (Russian Federation) saw the dialogue with the heads of the different programmes and funds as a key component of the operational activities segment of the current session. Future steps related to reforms should aim at making them well balanced, pragmatic and based on General Assembly resolution 59/250, on the triennial comprehensive policy review. There were two concerns — strengthening the institution of resident coordinators, and the regional aspects of the work. In that context, it was vital to have adequate financial and administrative support from the coordinating function, including at Headquarters level, and to ensure support for the collegial nature of the work of resident coordinators.

33. The Russian Federation agreed that the resident coordinator was the key figure in ensuring well-balanced, coordinated operations at the country level, but would welcome early proposals to bring the representatives of all United Nations agencies together in one office. On the interaction among programmes and funds at the regional level, the existing practice was justified and deserved support. At the same time, it appeared that the expert potential acquired by regional commissions had not yet been fully exploited to that end.

34. **Mr. Blake** (Jamaica), speaking on behalf of the Group of 77 and China, said it was clear that, without resources, capacity-building could not be achieved, yet core funding seemed to be falling. As to the issue of simplification, there were glaring inconsistencies in the demands placed on the agencies, in particular by donors, and that required systemic treatment. Lastly, he asked whether there was not still some institutional resistance to proposals, and he suggested further discussion of the phenomenon.

35. **Mr. Sunaga** (Japan) asked about the agency role in peacebuilding and emergencies, including natural disasters. Peacebuilding, for example, required coordination with other agencies and with the Department of Peacekeeping Operations. In the case of disaster relief, coordination with such entities as the Office of the United Nations High Commissioner for Refugees was critical. He asked the panel for its views on such cases.

36. **Ms. Veneman** (Executive Director of UNICEF) said the underlying issue of institutional resistance needed discussion. All the agencies were committed to making reform work. However, when that commitment was transferred to work in the field, difficulties arose, because it required that people changed the way they worked. It was therefore incumbent on the various head offices to offer their representatives the reward of working together.

37. On the need to coordinate more closely in the event of disasters, UNICEF was a key participant in disaster response. Everyone involved was working to define the role each party should play. UNICEF, for example, was looking to take a lead role in water, sanitation, education and other areas. Her own recent experience in Sri Lanka had shown her how different agencies could play key roles in providing the different services that were necessary. With regard to resident coordinators, UNICEF was working hard to identify appropriate candidates within its ranks, including women.

38. **Ms. Obaid** (Executive Director of UNFPA), referring to the impact of sector programming, said that in her experience, people supported sector-wide approaches or the comparative advantage of technical assistance. The amount of money UNFPA could offer was very little. In India, for example, it had given $25 million while the World Bank had made $9 billion available, so in a sense its contribution was very small. But the fact that it was underfunded allowed it to ensure that its agenda was part of the national dialogue. The important aspects were the issues of auditing and attribution, which would require a new environment, while the next goal would be amalgamated funding to produce results, and eventually to eliminate the "mixed messages" received from donor and recipient countries.

39. The question of capacity development should be looked at in the light of agencies' experiences. As to the reporting of results, her agency planned to learn from past experiences, continue the dialogue, and try to ensure that agreed policies were implemented. Regarding risks involved in the proposed strategy, she had not meant corporate risk or an abandonment of traditional approaches, but the risks implicit in doing things in a new way. The challenge was to train and advise staff in such a way as to make them feel comfortable and involved in a deliberate change of culture.

40. On the concept of a "breakthrough" to simplification, she said help was needed. A recent attempt to simplify United Nations approaches and methods had not yet proved as easy to achieve as harmonization. Turning to comments about capacity and resources, she said that unless financing from all sources was assured, the Organization would be left without the necessary investments in capacity-building and support for government efforts. As for institutional resistance, it existed at all levels, but it was important that all agencies should be together in supporting Governments and accepting the guidance of the resident coordinators.

41. **Mr. Diabré** (Associate Administrator of UNDP), referring to the issue of sector support raised by the representative of the United Kingdom, said that UNDG had recently issued a policy note clearly stating support for, and defining the role of, United Nations country teams. One entry point for UNDP was to build the capacity of a national partner to enable it to play its role while liaising with other partners. As to the declining number of women at the resident-coordinator level, UNDP was taking that issue very seriously. In fact, the problem embraced leadership positions in the United Nations system as a whole. Sometimes there was not a critical mass of female candidates for such positions; in addition, many well-qualified women did not want to apply, as moving away from Headquarters would place constraints on their family situation. Such factors made it difficult for

UNDP to reach the targets set. He was pleased to report, however, that the target of filling 40 per cent of vacancies with women had almost been met. The challenge was nonetheless significant. [illegible] was very difficult to find good candidates, whether male or female, as demonstrated by the fact that 40 per cent of the candidates put forward for the resident-coordinator assessment in 2004 had failed.

42. The question concerning additional funding was not an easy one to answer. Recalling that some reform efforts, such as harmonization and simplification, were very recent, he said that the greatest challenge was to make a linkage between such efforts and an increase in official development assistance (ODA). The increase in ODA over the past four years was due to many factors, including improved efficiency in the international system. A recent survey placing some United Nations funds and programmes at the top of the list for efficiency would hopefully result in further increases. It was also important to look at the specific situation in each country, as it was at the country level that reform efforts were supposed to have an impact.

43. Responding to the representative of the Russian Federation, he said that resident coordinator positions were currently funded through the UNDP budget. The question of whether it would be better to have a single representative at the country level required further consideration, and discussions were gearing up in that regard. Returning to the issue of the comparative advantage of the United Nations system at the country level, he said that at times the United Nations certainly seemed to be in fierce competition with others when delivering assistance. The United Nations was at a disadvantage on two levels: the perception by individual countries and its partners that it was overly fragmented and its relatively low financial impact, owing to its primary mandate as a provider of technical assistance, not funds.

44. While technical assistance agencies and banks clearly played different roles, it was nonetheless important for the United Nations to find its relevance at the country level, as that combination of excessive fragmentation and low financial impact could make it hard for it to be effective in the future if it did not work in a coordinated manner. Some were of the view that having a single representative could help in that regard. Yet, the United Nations system was clearly unique in terms of its legitimacy and because it belonged to everyone and was politically neutral, highly respected and founded on key principles. His organization liked to say that, while others brought the currency of money, UNDP brought the currency of ideas.

45. Turning to the point raised by the representative of Japan concerning the role of UNDP in peacebuilding and in man-made and natural disasters, he said that sector-led agencies played the lead role in the emergency phase, while UNDP came in during the recovery phase and ensured coordination among the different players. As for the comments raised by the representative of Jamaica, he said that capacity-building was clearly a key role of the United Nations funds and programmes and the purpose of technical assistance. He agreed that it needed to be given more attention. Meanwhile, institutional resistance at the country level — in other words, the length of time it took for agreement to be reached when two institutions were working together — was a key challenge that UNDP was determined to overcome.

46. **Mr. Graisse** (Senior Deputy Executive Director of the World Food Programme), responding to the concerns expressed by the representative of the United Kingdom, said that 50 per cent of the resident coordinators from WFP were women. Though more had been put forward and passed the assessment, they had not been retained during the selection process. WFP could only do so much. Moreover, some of the best people at WFP did not want to apply for the post because they preferred managing their own programme to coordinating others. Responding to the representative of Benin, he said that it was not enough for the United Nations to refine its tools, for without adequate resources such tools could not perform as intended. Most of the agencies simply did not have the development resources to implement the many simplification and harmonization measures agreed.

47. Responding to the representative of the Russian Federation, he said that the single-representative model was currently being tested in Cape Verde and would probably apply to other countries in the same situation. However, he was unsure whether all the funds and programmes would always be willing to have a single representative, particularly in situations where the level of assistance was such that they would want to continue managing their resources and representing the programme to the Governments to which they were currently accredited. As for the use of regional commissions, the instrument used by WFP — food aid — was not really of interest to the regional

commissions. However, UNDG was seeking to make use of their important technical capacity and had invited them to be part of the team that reviewed common country assessments.

48. In answer to the representative of Japan, he said that, in the area of peacebuilding and disaster response, the system used by UNDG was similar to that used by the Executive Committee on Humanitarian Affairs (ECHA). For example, UNDG worked under the general guidance of the Emergency Relief Coordinator and, where UNHCR took the lead on refugee issues, worked closely with that body under a clear memorandum of understanding. Their approach, however, was radically different, as it was not usually possible to discuss over the course of several years how they would work together when an emergency struck. Despite that, coordination sometimes worked remarkably well: in the event of humanitarian and other disasters, no actor could afford to work in a team where another actor did not perform. In emergencies, coordination was a matter of life and death.

The meeting rose at 4.55 p.m.